

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

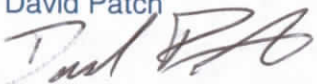
Fiscal Year 2016	Business Unit 0530	Department Health and Human Services	Priority No. 1
Budget Request Name 0530-004-BCP-BR-2016-GB		Program 0290-OFFICE OF SYSTEMS INTEGRATION	Subprogram

Budget Request Description


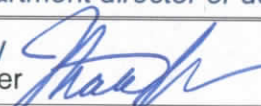
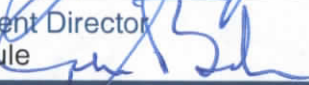
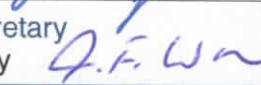
Child Welfare Services New System (CWS-NS) Project

Budget Request Summary

This Budget Change Proposal (BCP) requests 1.0 new permanent positions, the conversion of 8.0 limited-term positions to permanent and a net increase of \$171K in the Office of Systems Integration (OSI) spending authority for the Child Welfare Service – New System (CWS-NS) Project.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, departmental Chief Information Officer must sign.	Department CIO David Patch 	Date 1-4-16
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input checked="" type="checkbox"/> SPR Project No. 0530-211 Date: 4/1/2014		

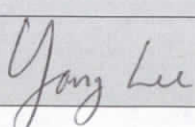
If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Les Fujitani 	Date 1/4/16	Reviewed By Matt Schueller 	Date 1/4/16
Department Director John Boule 	Date 1/4/16	Agency Secretary Diana Dooley 	Date 1/6/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☒ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☒ Workload Budget per Government Code 13308.05

PPBA 	Date submitted to the Legislature 1-7-16
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BCP Fiscal Detail Sheet

BCP Title: Child Welfare Services New System Project (CWS-NS)

DP Name: 0530-004-BCP-DP-2016-GB

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	9.0
Total Positions	0.0	1.0	1.0	1.0	1.0	9.0
Salaries and Wages						
Earnings - Permanent	0	110	110	110	110	110
Total Salaries and Wages	\$0	\$110	\$110	\$110	\$110	\$110
Total Staff Benefits	0	46	46	46	46	46
Total Personal Services	\$0	\$156	\$156	\$156	\$156	\$156
Operating Expenses and Equipment						
5301 - General Expense	0	10	10	10	10	10
5304 - Communications	0	2	2	2	2	2
5320 - Travel: In-State	0	2	2	2	2	2
5322 - Training	0	1	1	1	1	1
Total Operating Expenses and Equipment	\$0	\$15	\$15	\$15	\$15	\$15
Total Budget Request	\$0	\$171	\$171	\$171	\$171	\$171

Fund Summary

Fund Source - State Operations						
9745 - California Health and Human Services	0	171	171	171	171	171
Total State Operations Expenditures	\$0	\$171	\$171	\$171	\$171	\$171
Total All Funds	\$0	\$171	\$171	\$171	\$171	\$171

Program Summary

Program Funding						
0290 - Office of Systems Integration	0	171	171	171	171	171
Total All Programs	\$0	\$171	\$171	\$171	\$171	\$171

Personal Services Details

Positions	Salary Information						CY	BY	BY+1	BY+2	BY+3	BY+4
	Min	Mid	Max									
1139 - Office Techn (Typing)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
1312 - Staff Info Sys Analyst (Spec)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	
1337 - Sr Info Sys Analyst (Spec)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
1373 - Sys Software Spec II (Tech)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	
1393 - Dp Mgr III				0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
1470 - Assoc Info Sys Analyst (Spec)				0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	
5795 - Atty III (Eff. 07-01-2016)	\$8,032	\$9,169	\$10,305	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Total Positions				0.0	1.0	1.0	1.0	1.0	1.0	1.0	9.0	
Salaries and Wages	CY	BY	BY+1	BY+2	BY+3	BY+4						
1139 - Office Techn (Typing)	0	0	0	0	0	0					0	
1312 - Staff Info Sys Analyst (Spec)	0	0	0	0	0	0					0	
1337 - Sr Info Sys Analyst (Spec)	0	0	0	0	0	0					0	
1373 - Sys Software Spec II (Tech)	0	0	0	0	0	0					0	
1393 - Dp Mgr III	0	0	0	0	0	0					0	
1470 - Assoc Info Sys Analyst (Spec)	0	0	0	0	0	0					0	
5795 - Atty III (Eff. 07-01-2016)	0	110	110	110	110	110					110	
Total Salaries and Wages	\$0	\$110	\$110	\$110	\$110	\$110					\$110	
Staff Benefits												
5150350 - Health Insurance	0	18	18	18	18	18					18	
5150600 - Retirement - General	0	28	28	28	28	28					28	
Total Staff Benefits	\$0	\$46	\$46	\$46	\$46	\$46					\$46	
Total Personal Services	\$0	\$156	\$156	\$156	\$156	\$156					\$156	

Analysis of Problem

A. Budget Request Summary

The CWS-NS Project requests continued support for Fiscal Year (FY) 2016-17 for resources needed to assist with Planning and Procurement activities and to prepare for the Design, Development and Implementation (DD&I) Phase. This proposal includes the following:

- One (1.0) Attorney III on a permanent basis.
- The transition of 8.5 positions from the Child Welfare Services/Case Management System (CWS/CMS) to the CWS-NS Project.
- The conversion of 8.0 limited-term positions to permanent.

B. Background/History

The OSI, in conjunction with the CDSS, has been working on the development of a new system to replace the CWS/CMS. The CWS/CMS does not provide all functional capabilities required by California CWS business practice. In addition, its technical architecture is outdated, provides limited technical capabilities, does not fully meet current CWS business practices, and is cost prohibitive to maintain and operate. The CWS-NS Project will implement a modern web-based, Service-Oriented Architecture (SOA) computing infrastructure that will be flexible, scalable and based on industry standard enterprise architecture framework concepts. The CWS-NS will consolidate functionalities that are in various systems into a single system and include multiple interfaces with other applications thus providing CWS workers with critical case information more efficiently. The CWS-NS, due to its modern architecture and underlying commercial-off-the shelf platform, is projected to be less costly to maintain and enable upgrades and enhancements to be deployed more quickly to meet the State's ever changing CWS program needs.

The Project's Feasibility Study report was approved on January 10, 2013 for an official project launch of July 1, 2013. The 2013 Budget Act appropriated additional funding, for a project total of \$10.3M and authorized a total of 31.0 state staff (18.0 for OSI and 13.0 for CDSS) to begin the Planning and Procurement Phase. In January 2014, the Project began development of Special Project Report (SPR) #1 updating costs, schedule, resource requirements, and to expand Community Care Licensing Children's Residential (CCL-CR) scope. SPR #1 was approved on April 1, 2014. The 2014 Budget Act appropriated additional funding, for a project total of \$12.8M and authorized an additional nine (9.0) staff bringing the project total to 40.0 (20.0 for OSI and 20.0 for CDSS) to continue with the Planning and Procurement Phase.

Project Resource History
(Dollars in thousands)

	PY – 1	PY	CY
OSI Budget			
Authorized Expenditures	\$5,182	\$7,614	\$8,263
Actual Expenditures	\$3,133	\$5,636	-
Revenues	-	-	-
Authorized Positions	18.0	20.0	20.0
Filled Positions ¹	18.0	20.0	17.0
Vacancies	-	-	3.0
CDSS Local Assistance Budget			
Authorized Expenditures	\$3,611	\$2,380	\$2,679
Actual Expenditures	\$1,202	\$1,577	-
Revenues	-	-	-
Authorized Positions	-	-	-
Filled Positions	-	-	-
Vacancies	-	-	-
CDSS State Operations Budget			

Analysis of Problem

Authorized Expenditures	\$1,780	\$2,832	\$2,832
Actual Expenditures	\$1,503	\$2,264	-
Revenues	-	-	-
Authorized Positions	13.0	20.0	20.0
Filled Positions	5.0	17.0	18.0
Vacancies	8.0	3.0	2.0

¹ Although OSI's budget is showing no vacancies in 2014-15, staffing was intermittent. There was high staff turnover and positions not being able to be filled for several months due to LT designation.

C. State Level Considerations

This proposal is consistent with California's Information Technology (IT) Strategic Goals #1 and #3, "Responsive, Accessible and Mobile Government" and "Efficient, Consolidated, and Reliable Infrastructure and Services". The proposed CWS-NS solution will include mobile computing capabilities allowing workers to use the system while away from the normal office environment. This would create a virtual office by providing these CWS workers access to resources whether at the office or in the field. The proposed CWS-NS solution provides an enterprise computing infrastructure using service oriented architecture. Through this architecture, CDSS will provide a foundation that can support interoperability across multiple health and human services programs, share software services and computing infrastructure components while reducing complexity and management of multiple environments. This architecture will also enhance choice and innovation using a collaborative enterprise model.

D. Justification

To ensure the CWS-NS is procured, developed and implemented with maximum effectiveness, it is imperative that the project be appropriately and consistently staffed. This BCP requests the following resource adjustments required to be successful throughout the Planning and Procurement Phase:

New Position – OSI is requesting 1.0 new permanent position. This new resource is critical for the successful execution of project activities and is described below:

Attorney III – OSI does not currently have a dedicated attorney for the CWS-NS Project and this poses significant risk to the State as the Project progresses through the Procurement Phase and into the Design, Development and Implementation (DD&I) phase. To mitigate this risk, the Project is requesting an attorney dedicated to the CWS-NS Project. Without this additional position, the state would be entering into the most critical stages of IT project implementation (contract acquisition and DD&I) without legal representation for (a) vendor negotiations, (b) communication and negotiation with state and federal partners, (c) amendment drafting and (d) contract management. These are highly specialized areas of legal practice that cannot be performed by general attorneys who lack the required additional training and experience in IT contract law, intellectual property law, contract negotiation and IT contract management. Without the requested position, the state would approach negotiations with inadequate legal counsel when facing private contractors staffed with attorneys who are IT/intellectual property specialists. In addition, project staff would not have the benefit of their own counsel in interpreting and applying contract terms while managing the contract. Such a lack of representation would present the state with an unacceptably high risk of loss due to unfavorable contract terms and management of contract terms during DD&I without counsel. Considering the substantial financial investment the State is making in the CWS-NS, it is in the State's interest to ensure there is sufficient legal representation to develop the contract, participate during negotiations prior to contract award, and provide ongoing counsel for contract administration and enforcement through the project life cycle.

Refer to Attachment 1 – Roles and Responsibilities for additional information on the specific activities of this position and Attachment 2 – CWS-NS Organizational Chart for the revised project organizational structure.

Redirected CWS/CMS Positions – The Project is requesting to redirect 8.5 CWS/CMS positions to the CWS-NS Project as approved in SPR #1. The Project plans to leverage existing state staff from the CWS/CMS Office and transition them to the CWS-NS Project as specific skill sets are needed.

Analysis of Problem

Starting in 2016-17, the CWS-NS Project will begin county preparation for the eventual transition to the CWS-NS. To facilitate this, the Project will leverage existing CWS/CMS staff that already engage with the counties and perform similar services for the existing system. County engagement and communication is critical to stakeholder adoption of the CWS-NS and these positions will be responsible for working with the Project's existing Organizational Change Management (OCM) consultants to ensure an efficient transition.

The approach of redirecting existing CWS/CMS staff minimizes the need to hire additional state staff while also reducing the risk of having a lack of skilled resources on the Project when they are required. Once CWS-NS is in development, system changes to CWS/CMS should be minimal, thus enabling staff to transition to the CWS-NS Project without impacting current CWS/CMS operations.

Refer to Attachment 2 – CWS-NS Organizational Chart for the revised project organizational structure.

Converting Limited Term Positions to Permanent – The Project is requesting that all limited term positions be converted into permanent positions. The conversion of these 8.0 limited-term state staff to permanent is needed to ensure that the CWS-NS project is procured, developed and implemented appropriately and consistently staffed. The current use of limited-term positions makes it difficult to recruit and retain qualified staff, and causes disruptions due to rehiring when the position term ends. The conversion of these positions to permanent tenure strengthens the project's ability to carry out the tasks necessary for a successful implementation.

Operating Expense & Equipment (OE&E)

The Project is requesting the associated OE&E and overhead for the new position. The CWS/CMS will redirect any associated OE&E and overhead with the redirected positions.

CDSS Local Assistance – These costs are for display purposes only. These adjustments are within the CDSS Local Assistance budget and will be reflected in the 2015 November Subvention premise.

CDSS costs will increase by \$299K in 2015-16 due to the addition of two (2.0) Independent Project Oversight Consultants (IPOC) for half of the year, an increase for Independent Validation and Verification (IV&V) services and Organizational Change Management (OCM) training costs consistent with SPR #2. CDSS costs will increase by \$204K in 2016-17 due to the continued support from the additional IPOCs and OCM training costs.

For a display of the 2015-16 and 2016-17 project budget refer to Attachment 3 – Project Bridging Document.

E. Outcomes and Accountability

Improvements will be measured against the objectives described in the FSR, section 4. Reporting and monitoring of the use of resources will be performed by IV&V consultants.

F. Analysis of All Feasible Alternatives

Alternative #1: Approve the request as submitted

Pros:

- The additional project position will ensure project is sufficiently staffed to address any legal issues that may arise.
- Converting existing limited term positions to permanent with limited term funding will help ensure project continuity and retain knowledgeable staff while mitigating potential schedule and cost impacts due to staff turnover.
- Allowing the project to continue leveraging existing CWS/CMS resources will provide the project with the expertise to execute project activities without having to hire additional state resources.

Cons:

Analysis of Problem

- Increase to General Fund.

Alternative #2: Do not approve the request as submitted

Pros:

- No immediate change in General Fund expenditures.
- Does not result in an increase of project resources.

Cons:

- Project schedule will more than likely be further delayed due to resource constraints.
- The current system decommissioning target date will be further delayed resulting in the continued costs of maintaining one system while developing another.
- The project will not be properly resourced.
- Project resources will be redirected from other critical activities in order to recruit replacement staff for limited term positions and then train the new staff.

G. Implementation Plan

Upon approval of this request OSI intends to implement this proposal effective July 1, 2016 or upon passage of the 2016 Budget Act.

H. Supplemental Information

None.

I. Recommendation

Alternative #1: Approve the request as submitted. This increase will provide the Project with the required resources to continue with the Planning and Procurement activities and meet the revised project schedule.

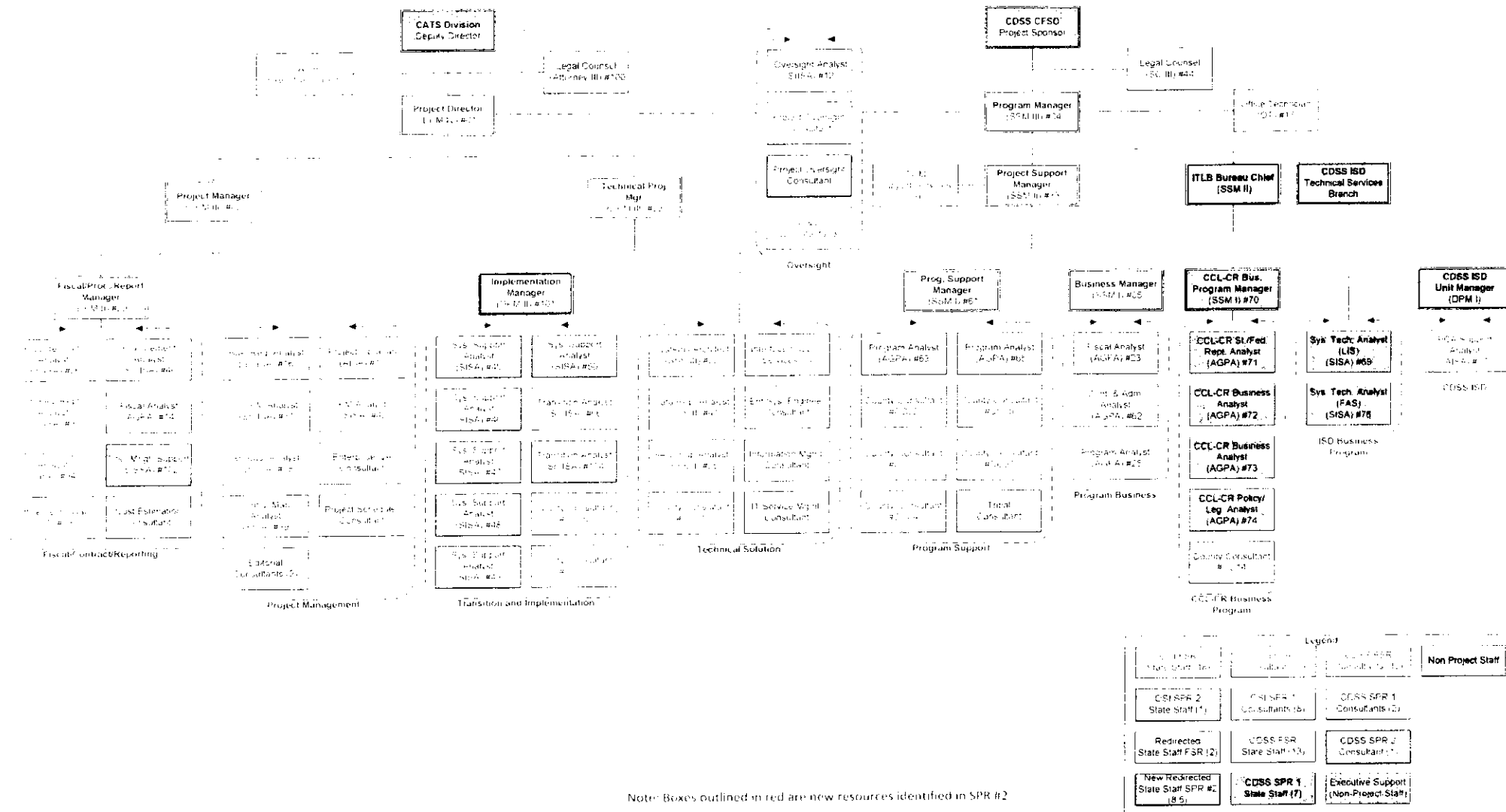
Budget Change Proposal – CWS-NS Project Attachment 1 – Workload Analysis

Attachment 1 provides the workload analysis for the one (1.0) additional State staff requested in the 2016/17 BCP. The percent (%) column displays the percent allocation for each task. The hours (Hrs.) column displays the total annual hours for each task.

Position Title	Legal Counsel (#100)		
State Classification	Attorney III		
Position Type	Permanent		
Position Start Date	July 2016	Position End Date	Permanent
Position Description	The Attorney III is responsible for providing legal advice, opinions, and support to the CWS-NS Project. The Attorney III helps ensure that all phases of CWS-NS planning, procurement, and contracting comply with State and federal law.		

Attorney III Tasks	P&P (7/2016 – 1/2018)				DD&I (2/2018 – 6/2021)								M&O (7/2021 – Forward)			
	2016/17		7/2017 – 1/2018		2/2018 – 6/2018		2018/19		2019/20		2020/21		2021/22		2022/23	
	%	Hrs.	%	Hrs.	%	Hrs.	%	Hrs.	%	Hrs.	%	Hrs.	%	Hrs.	%	Hrs.
Advises the Program Sponsor, CWS-NS Assistant Deputy Director, CWS-NS Program Manager, and Acquisition Manager regarding statutory, regulatory, and program requirements impacting the CWS-NS Project or CDSS Operations.	40%	768	40%	448	40%	320	40%	768	40%	768	40%	768	40%	768	40%	768
Assists and supports development of procurement documents, contracts, and communications.	20%	384	20%	224	20%	160	20%	384	20%	384	20%	384	20%	384	20%	384

CHILD WELFARE SERVICES NEW SYSTEM (CWS-NS) Planning and Procurement



Budget Change Proposal – CWS-NS Project Attachment 3 – Project Bridging Document

Attachment 3 provides a display of all budget changes proposed in this BCP. The Budget column is the line item of expense to which the project budgets to. Each subsequent column identifies the budget and the budget change as requested in this BCP.

BUDGET (All dollars in thousands)	FY 15-16 Budget	BL Adjust.	BCP Adjust.	FY 15-16 Revised Budget	FY 16-17 Budget	BL Adjust.	BCP Adjust.	FY 16-17 Redirection	FY 16-17 Proposed Budget
OSI Costs									
Personnel Services Total	\$ 2,874	\$ 174	-	\$ 3,048	\$ 2,874	\$ 85	\$ 156	-	\$ 4,061
CWS/CMS Budget	-	-	-	-	-	-	-	(\$ 946)	-
CWS-NS Budget	\$ 2,874	\$ 174	-	\$ 3,048	\$ 2,874	\$ 85	\$ 156	\$ 946	\$ 4,061
Consultant Services	\$ 3,564	-	-	\$ 3,564	\$ 3,564	-	-	-	\$ 3,564
Data Center Services	\$ 237	-	-	\$ 237	\$ 237	-	-	-	\$ 237
Facilities	\$ 40	-	-	\$ 40	\$ 40	-	-	-	\$ 40
OE&E Total	\$ 899	\$ 475	-	\$ 1,374	\$ 899	\$ 18	\$ 15	-	\$ 1,462
CWS/CMS Budget	-	-	-	-	-	-	-	(\$ 530)	-
CWS-NS Budget	\$ 899	\$ 475	-	\$ 1,374	\$ 899	\$ 18	\$ 15	\$ 530	\$ 1,462
Total OSI Costs	\$ 7,614	\$ 649	-	\$ 8,263	\$ 7,614	\$ 103	\$ 171	-	\$ 9,364
CDSS Costs									
Consultant Services – CDSS	\$ 2,048	-	\$ 222	\$ 2,270	\$ 2,270	-	\$ 113	-	\$ 2,383
Training Costs – CDSS	-	-	\$ 77	\$ 77	\$ 77	-	\$ 91	-	\$ 168
OE&E Costs – CDSS	\$ 332	-	-	\$ 332	\$ 332	-	-	-	\$ 332
Total CDSS Costs	\$ 2,380	-	\$ 299	\$ 2,679	\$ 2,679	-	\$ 204	-	\$ 2,883
Total Local Assistance	\$ 9,994		\$ 299	\$ 10,942	\$ 10,293	\$ 103	\$ 376	-	\$ 12,246
Funding Split (General Fund)	\$ 4,997	\$ 325	\$ 150	\$ 5,471	\$ 5,147	\$ 52	\$ 188	-	\$ 6,123
Funding Split (Federal Fund)	\$ 4,997	\$ 324	\$ 149	\$ 5,471	\$ 5,146	\$ 51	\$ 188	-	\$ 6,123
Total CDSS State Operations	\$ 2,832	-	-	\$ 2,832	\$ 2,832	-	-	-	\$ 2,832
Total Project Budget	\$ 12,826	\$ 649	\$ 299	\$ 13,774	\$ 13,125	\$ 103	\$ 376	-	\$ 15,078